P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET		
PSEi		
OPEN:	6,266.04	
HIGH:	6,283.72	
LOW:	6,234.60	
CLOSE:	6,263.06	▲ 9.10 PTS. 0.14%
VOL.:	0.887 B	
VAL(P):	3.208 B	

30 DAYS TO OCTOBER 12, 2023

ASIAN MARKETS — OCTOBER 12, 2023

	CLOSE		NET	%
Japan (Nikkei 225)	32,494.66	▲	558.15	1.75
Hong Kong (Hang Seng)	18,238.21	▲	345.11	1.93
Taiwan (Weighted)	16,825.91	▲	153.88	0.92
Thailand (SET Index)	1,450.75	▼	-5.24	-0.36
S.Korea (Kse Composite)	2,479.82	▲	29.74	1.21
Singapore (Straits Times)	3,218.69	▲	25.82	0.81
Sydney (All Ordinaries)	7,091.00	▲	2.60	0.04
Malaysia (Klse Composite)	1,443.82	▲	7.33	0.51

WORLD MARKETS — OCTOBER 11, 2023

	CLOSE		NET
Dow Jones	33,804.870	▲	65.570
NASDAQ	13,659.677	▲	96.833
S&P 500	4,376.950	▲	18.710
FTSE 100	7,620.030	▼	-8.180
Euro Stoxx50	3,962.140	▲	12.250

PESO-DOLLAR RATES

FX	
OPEN	P56.700
HIGH	P56.660
LOW	P56.800
CLOSE	P56.660
W.AVE.	P56.743
VOL.	$1,250.00 M

▲ 9.50 CTVS

30 DAYS TO OCTOBER 12, 2023 SOURCE : BAP

ASIAN MONIES-US$ RATE — OCTOBER 12, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	149.090	▼	148.690
Hong Kong (HK dollar)	7.821	▼	7.819
Taiwan (NT dollar)	32.099	—	32.099
Thailand (baht)	36.210	▲	36.370
S. Korea (won)	1,336.930	▲	1,338.810
Singapore (dollar)	1.362	▲	1.363
Indonesia (rupiah)	15,685	▲	15,690
Malaysia (ringgit)	4.715	▲	4.719

WORLD CURRENCIES — OCTOBER 12, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2297	▲	1.2273
US$/Euro	1.0619	▲	1.0604
US$/Aust dollar	0.6410	▼	0.6418
Canada dollar/US$	1.3587	▼	1.3598
Swiss Franc/US$	0.8995	▼	0.9027

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$88.22/BBL ▼ $0.28

30 DAYS TO OCTOBER 11, 2023

VOL. XXXVII • ISSUE 57 FRIDAY • OCTOBER 13, 2023 • www.bworldonline.com S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • OCTOBER 12, 2023 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value			
ICT	P203.200	P361,244,706	P1.200	▲	0.594%
BDO	P135.500	P317,188,175	-P0.500	▼	-0.368%
ALI	P29.300	P190,721,210	P0.650	▲	2.269%
SMPH	P31.200	P147,677,945	P0.100	▲	0.322%
WLCON	P21.400	P136,603,215	-P0.600	▼	-2.727%
AC	P616.500	P133,253,435	P1.000	▲	0.162%
SCC	P35.950	P122,419,165	-P0.050	▼	-0.139%
BPI	P108.000	P117,587,133	-P0.400	▼	-0.369%
JFC	P222.200	P110,178,606	P1.600	▲	0.725%
URC	P115.600	P106,046,825	P0.600	▲	0.522%

SEC willing to tweak fee hike plan

GLOBAL HUNGER INDEX

HUNGER SITUATION IN THE PHILIPPINES IMPROVES IN 2023

The Philippines' rank rose six notches* to 66th out of 125 countries in the latest edition of the Global Hunger Index (GHI) by Concern Worldwide and Welthungerhilfe. In a scale ranging from 0 (no hunger) to 100 (worst), the country scored 14.8, a 19.1% improvement** from 18.3 in 2015, and categorized with a "moderate" level of hunger. This was better than the global average of 18.3, but worse than the regional average of 8.3. The GHI combines the scores that capture the multidimensional nature of hunger: undernourishment, child stunting, child wasting, and child mortality.

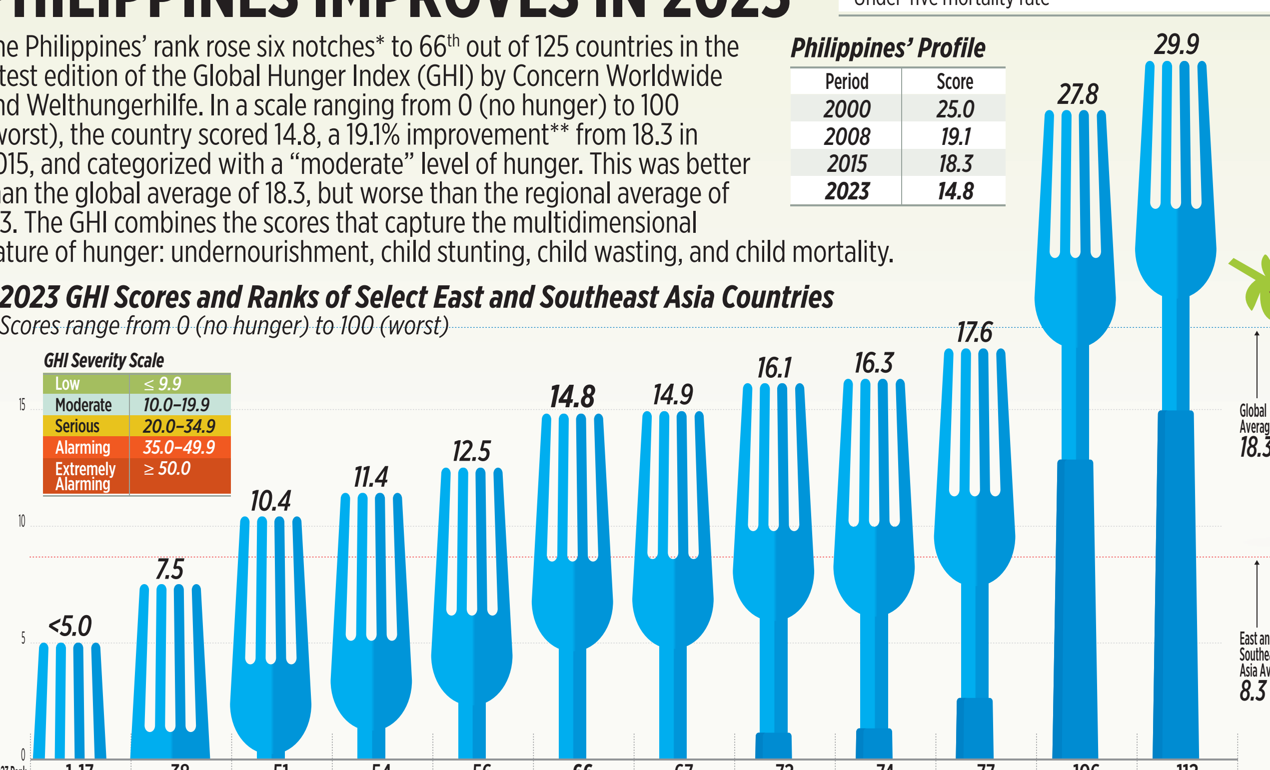
GHI Indicators	Period	Philippines
Proportion of undernourished in the population	2020-2022	5.2%
Prevalence of wasting in children under five years	2018-2022	5.7%
Prevalence of stunting in children under five years	2018-2022	29.6%
Under-five mortality rate	2021	2.6%

Philippines' Profile

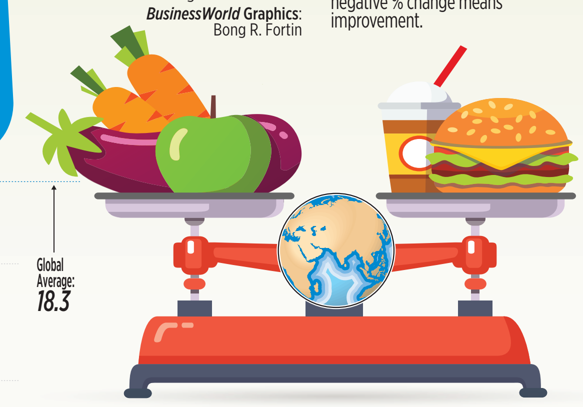
Period	Score
2000	25.0
2008	19.1
2015	18.3
2023	14.8

2023 GHI Scores and Ranks of Select East and Southeast Asia Countries

Scores range from 0 (no hunger) to 100 (worst)



Country	CHINA	MONGOLIA	THAILAND	VIETNAM	MALAYSIA	PHILIPPINES	CAMBODIA	MYANMAR	LAOS	INDONESIA	NORTH KOREA	TIMOR-LESTE
2023 Rank	1-17	38	51	54	56	66	67	72	74	77	106	112
Rank Changes from 2015*	—	▼ 5	▼ 6	▲ 5	0	▲ 6	▲ 7	▼ 3	▲ 5	▲ 3	▼ 13	▲ 7
% Change in GHI Score since 2015**	—	+1.4	+10.6	-21.4	+4.2	-19.1	-21.6	-6.9	-25.2	-19.6	+12.1	-16.7
GHI Severity Scale	Low	Low	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Serious	Serious



10 Countries with Severe Levels of Hunger

2023 Rank	Country	2023 GHI Scores	% Change in GHI Score since 2015**
125	Central African Rep.	42.3	-3.9
124	Madagascar	41.0	+5.4
123	Yemen	39.9	-5.2
122	Dem. Rep. of the Congo	35.7	-1.9
121	Lesotho	35.5	+16.0
120	Niger	35.1	-0.3
119	Chad	34.6	-13.7
118	Guinea-Bissau	33.0	-0.9
117	Liberia	32.2	-2.1
116	Sierra Leone	31.3	-4.6

Source: Concern Worldwide and Welthungerhilfe's 2023 Global Hunger Index: *The Power of Youth in Shaping Food Systems*
***BusinessWorld* Research**: Andrea C. Abestano and Abigail Marie P. Yraola
***BusinessWorld* Graphics**: Bong R. Fortin

Notes:
*GHI scores are comparable only within each year's report, not between different years' reports. To allow for tracking of a country's or region's GHI performance over time, the latest report provides GHI scores for 2000, 2008, and 2015, which can be compared with 2023 GHI scores.

**It shows the percentage change of a country's 2023 GHI score from its revised 2015 GHI scores. A negative % change means improvement.

THE SECURITIES and Exchange Commission (SEC) is open to amending its proposal to increase its fees and charges, after a meeting with two business groups that have raised objections.

SEC officials, led by chairperson Emilio B. Aquino, on Thursday met with representatives of the Philippine Chamber of Commerce and Industry (PCCI) and the Federation of Filipino Chinese Chambers of Commerce and Industry, Inc. (FFCCCII) to discuss the controversial plan to raise its fees and charges.

"Yes (we are open to changes)... That's the reason why we are exposing these drafts because we're open to suggestions. But of course, on our side, we'll have to make a case on why we came up with the proposal," he said during a media roundtable in Makati City.

Mr. Aquino said the SEC is not pushing the plan to increase its fees since the Commission is currently focused on its amnesty program for corporations which ends on Nov. 6. The SEC's amnesty program offers a reprieve from the fines and penalties imposed on the late or nonfiling of companies' general information sheet, annual financial statements, and noncompliance.

"This is just a proposal. That is why we are eliciting all sorts of comments from all sides. Part of our vision is to be customer-centric... We're not doing this on our own. I think we have met all the requirements there are for these increases," he said.

SEC Commissioner McJill Bryant T. Fernandez told reporters that another meeting with the leaders of the business groups will be scheduled in two weeks to further discuss their concerns.

"The proposal from their end was to convene another meeting with the principals of all these business groups and we welcome that. We are devoting time to sit down with them. The entire Commission is open to meet them and discuss point by point," he said.

In a letter to the SEC dated Oct. 2, several business groups and associations criticized the regulator's proposal to increase its fees and charges, calling it "anti-business" and "unnecessary."

SEC, S1/2

Further rate hikes may have limited impact on inflation — analysts

By Keisha B. Ta-asan
Reporter

FURTHER RATE HIKES by the Bangko Sentral ng Pilipinas (BSP) may have limited impact on inflation and would likely slow economic growth, analysts said.

Nicholas Antonio T. Mapa, senior economist at ING Bank N.V. Manila, said another rate hike at this point will not likely impact inflation in a "substantial" way.

"What rate hikes will be effective in carrying out would be a broad-based slowdown in growth momentum," he said in a note.

BSP Governor Eli M. Remolona, Jr. on Wednesday said he is not ruling out a 25-basis-point (bp) increase at the Monetary Board's next policy review on Nov. 16.

The BSP has kept the key interest rate at a near 16-year high of 6.25% at its last four meetings. Another 25-bp rate hike will bring the benchmark rate to 6.5%.

Last week, National Economic and Development Authority Secretary Arsenio M. Balisacan warned that further monetary tightening could hurt the economy and consumers who are already struggling from high inflation.

Mr. Mapa noted higher borrowing costs would affect bank lending, which is linked to capital formation and gross domestic product (GDP) expansion.

"We believe the net result of additional tightening would be much slower growth, with only a modest impact on inflation but only after growth slides to multi-year lows," he said.

ING Bank lowered its Philippine growth forecast to 4.7% (from 4.8% previously) for this year and to 4.5% (from 4.7%) for 2024. Both estimates are below the government's 6-7% and 6.5-8% target for 2023 and 2024, respectively.

In an e-mail, University of Asia and the Pacific Senior Economist Cid L. Terosa said rate hikes will be effective in quelling inflation only if inflation is demand-driven, noting that the current inflation is driven by supply constraints and geopolitical tensions.

"In the Philippines, businesses and investments are more sensitive to interest rate hikes than consumers. Hence, the net effect of rate hikes on economic growth in the Philippines tends to be negative. It appears that the negative impact of interest rate hikes and inflation rate on economic growth in the Philippines can extend over the long term," Mr. Terosa said.

Headline inflation accelerated for a second straight month to 6.1% in September from 5.3% in August as food and transport costs surged. September marked the 18th straight month that inflation exceeded the central bank's 2-4% target. Year to date, inflation averaged 6.6%.

FURTHER TIGHTENING

ING's Mr. Mapa said the BSP will likely resume monetary tightening only to secure the inflation path in 2024, as market players are not pricing in a rate hike by the US Federal Reserve and the peso remains steady against the dollar.

"With 2023 winding down, any rate hike today would only have an impact on the 2024 inflation outlook. We believe Mr. Remolona will pull the trigger on a rate hike in the near term, possibly after the October inflation report, a potential Fed rate hike or at the November BSP policy meeting," he said.

Any rate hike would demonstrate the BSP's commitment to fight inflation, anchor inflation expectations and tame second-round effects by "snuffing out" pressures from the demand side, Mr. Mapa said.

Mr. Terosa said the continued rise in prices may still prompt the Philippine central bank to hike rates, Mr. Terosa said.

Inflation, S1/2

Diokno says Philippines to be 'less affected' by China's economic slowdown

By Luisa Maria Jacinta C. Jocson
Reporter

THE PHILIPPINE ECONOMY is seen to be "less affected" by the economic slowdown in China, Finance Secretary Benjamin E. Diokno said.

"The Philippines is expected to be less affected by China's slower economic growth given that the potential slowdown in exports could be partially mitigated by the demand from our large domestic market," he said during the ASEAN Roundtable at the World Bank-International Monetary Fund (IMF) Annual Meetings in Marrakech, Morocco on Oct. 11.

However, Mr. Diokno noted that a slowing China economy could "dampen global trade and put downward pressure on the Philippines' goods and service exports."

In August, total exports jumped by 4.2% year on year to $6.7 billion. The United States was the main destination of Philippine exports during the month, with export value reaching $1.1 billion, followed by Japan with $918 million. Exports to Hong Kong and China stood at $871 million and $838 million, respectively.

"Sharp swings in market sentiment and risk premia could trigger a sudden tightening of financial conditions, capital outflows, and depreciation of the peso. Intensification of geopolitical tensions and fragmentation could disrupt supply chains and investment," he added.

Mr. Diokno said the Association of Southeast Asian Nations (ASEAN)+3 region will face both indirect and direct risks from China's property crisis.

"We note that financial systems in the ASEAN+3 region could be exposed to risks arising from China's property sector through three main channels: directly, through any lending to the sector; indirectly, from their exposures to other financial systems that are involved with that sector; and indirectly, from lending to their own domestic economy that may be hard hit by developments in China," he said.

The IMF projected China to grow 5% in 2023 but slow to 4.2% in 2024, slower than previously estimated due to the property crisis and weak external demand.

'FASTEST-GROWING ECONOMY'

While the Philippines is projected to be the fastest-growing economy in the ASEAN region this year, the outlook is still clouded by external headwinds.

"Growth in the Philippines has proven remarkably resilient over the past couple of years. After a strong rebound in 2022, the economy continues to perform well, even if it is losing momentum," Fred Neumann, HSBC chief Asia economist and co-head of Global Research Asia, said in an e-mail.

"At the same time, the relative outperformance of the Philippine economy needs to be kept in perspective: relative to its potential, growth is currently falling short. That's because of cyclical headwinds like higher interest rates, both locally and globally," he added.

Multilateral lenders and institutions like the International Monetary Fund, the World Bank, the Asian Development Bank, and AMRO have downgraded their 2023 growth forecasts for the Philippines. Their estimates are below the Philippine government's 6-7% GDP growth target but are projected to outperform economies in Southeast Asia and the Asia-Pacific regions.

"One reason why the Philippines is outperforming many peers in the region is that it is less exposed to the global manufacturing cycle: unlike other economies, which are more dependent on manufacturing exports," Mr. Neumann said.

China, S1/2